



# HOSPARUS

*Because the end of life is part of living*

December 8, 2014

The Office of Health Policy  
C/O Diona Mullins, Policy Advisor  
Cabinet for Health & Family Services  
275 E. Main Street, 4W-E  
Frankfort, KY 40621



Re: Certificate of Need Modernization: Core Principles Request for Stakeholder Input

Dear Ms. Mullins:

Hosparus appreciates the spirit of the October 8, 2014 memorandum "Certificate of Need Modernization: Core Principles Request for Stakeholder Input". We acknowledge from a broad spectrum the need to modernize aspects of the current Certificate of Need (CON) principles. As the largest provider of hospice care in the state, we feel it is important to share some concerns, ideas, and insights related to the request for stakeholder input. We would like to cover three basic areas: the CON structure that is in place for Hospice Care, the need for innovations to improve access to care while addressing the "Triple Aim", and a request for an administrative change to help encourage home care support over institutionalized care.

Hosparus is a non-profit community based hospice provider serving 27 Kentucky counties. On May 21, 2008 the Cabinet for Health and Family Services granted Hosparus Certificate of Need approval to expand services to the 10 county BRADD region. These counties were deemed underserved based on the current CON methodologies. Hosparus is a mission driven organization and entered these Kentucky counties based on the unmet need and the ability to serve Kentucky residents contiguous to our current territory. There continue to be a few rural counties with unmet need related to hospice care within the state. However, there has been little to no interest from others to serve these counties due to the logistical complexities and cost of providing home hospice care to patients in very rural parts of Kentucky. The current hospice CON methodology was updated with the help of outside consultants in 2006. This plan has protected residents of the Commonwealth from some of the for-profit programs that have been documented by CMS for abusing the system to increase profits. Further, these programs would likely desire to serve the highly populated areas where reimbursements are higher making it harder for other programs to offset losses from serving rural areas. Hosparus



**recommends retaining the current CON methodologies and creating financial incentives for current hospice providers to expand into underserved counties.**

Hosparus and its affiliate company, Care Guide Partners, recently met with the Cabinet to discuss licensure for new programs to expand services. To fulfill the mission of improving the quality of life for patients at or near the end of life, Hosparus is working on programs to serve those in need of hospice care who currently don't meet the guidelines to access the benefit. Hospice services have been meeting the intent of the "Triple Aim" for a number of years. Part of the success of the hospice benefit on cost and outcomes is related to the overall management of the patient and family needs as they relate to the body, mind, and spirit. Studies such as the attached research published by Mount Sinai in 2013<sup>1</sup> support these outcomes. To that end, we ask the Cabinet to consider the value of the holistic approach to care when approving expansions to home health and Home and Community Based Waiver (HCBW) services as well as other licensure categories. We believe a more holistic approach to care becomes a more important consideration as projections in "The Commonwealth of Kentucky Health Care Facility Capacity Report"<sup>2</sup> show increases in demand related to behavioral health. It is vital that residents of the Commonwealth are not limited to only physical care. **Hosparus recommends the Cabinet consider the holistic approach to care as it considers expanding HCBW and Home Health services as well as other licensure categories.**

Currently, Kentucky residents have limited access to hospice services due to state guidelines. Residents must choose between accessing waiver services (with the exception of attendant care) or the Hospice Medicaid Benefit. As the Cabinet considers expanding home health and waiver services, Hosparus asks it to consider the unintended consequences of such expansions. For example, a terminally ill resident who can access both nursing facility and hospice care shouldn't have to lose access to the hospice benefit to choose less expensive waiver services at home. Other states, like Indiana, where Medicaid costs remain low, allow residents access to both hospice and waiver services. Indiana requires that coordination of care is reviewed and duplication of efforts/costs do not exist. Current Kentucky policy stands in opposition to the goals of the Cabinet and to programs such as Kentucky Transitions. **Hosparus recommends the Cabinet remove barriers to accessing hospice care when patients choose waiver and/or home health services as a way to increase the reduction in institutionalized care at or near the end of life.**

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<sup>1</sup> <http://www.mountsinai.org/about-us/newsroom/press-releases/medicare-patients-who-use-hospice-receive-better-care-at-a-lower-cost-to-the-government>

<sup>2</sup> [http://healthbenefitexchange.ky.gov/Documents/KY\\_Health\\_Care\\_Facility\\_Capacity\\_Report\\_2013\\_%5b2%5d.pdf](http://healthbenefitexchange.ky.gov/Documents/KY_Health_Care_Facility_Capacity_Report_2013_%5b2%5d.pdf)



December 8, 2014  
Page 3

Again, Hosparus appreciates the open and collaborative approach of the Cabinet's request for input. We are pleased to offer these suggestions to assist the Cabinet in reducing expenditures while improving access, quality, and the patient/family experience. We are open to meeting with members of the Cabinet to further discuss our recommendations or to provide further assistance. Our goals are in alignment as we strive to improve the quality of life for the residents of the Commonwealth.

Sincerely,



David W. Cook  
Executive VP/COO



Phillip L. Marshall  
President and CEO

Attachment





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## **Medicare Patients Who Use Hospice Receive Better Care at a Lower Cost to the Government**

**The study, led by researchers at the Icahn School of Medicine at Mount Sinai, is published in the March issue of Health Affairs.**

**NEW YORK**

**— March 4, 2013 /Press Release/ —**

Medicare patients who enrolled in hospice received better care at a significantly lower cost to the government than those who did not use the Medicare hospice benefit. The data indicate that annual savings to Medicare could amount to \$2.4 million to \$6.4 million, if 1,000 additional Medicare beneficiaries chose to enroll in hospice 53-105 days before death, or 15-30 days prior to death.

The study, led by researchers at the Icahn School of Medicine at Mount Sinai, is published in the March issue of Health Affairs. It is part of Health Affairs' Care Span series, funded by The SCAN Foundation, which includes articles about long term services, end of life issues and other aging issues.

"Considerable evidence supports that Hospice significantly enhances quality of care for patients and their families near the end of life, but the impact of hospice on Medicare costs remains an ongoing debate," said the study's lead author, Amy S. Kelley, MD, MSHS, Assistant Professor of Geriatrics and Palliative Medicine at Icahn School of Medicine at Mount Sinai. "Our study is the first to combine rich survey data and Medicare claims to demonstrate that an investment in the Medicare hospice benefit could translate into millions of dollars saved annually for the Medicare system and higher quality care for patients and families."

"To create the most value – both in terms of higher quality of care and lower cost – providers need to ensure that patients who could benefit from hospice know it's an available and accessible option," said Dr. Kelley.

Researchers also found that hospice enrollment was associated with significant reductions in admissions to hospital and intensive care units, days spent in a hospital, rates of 30-day readmissions and in-hospital death.

For this study, researchers used survey data from 3,069 subjects within the National Institute of Aging's Health and Retirement Study as well as their individual Medicare claims to compare the Medicare costs of patients who received hospice care to those of patients who did not. In using data from the Health and Retirement Study, researchers were able to compare patients with similar social, economic and health care histories, creating a more accurate comparison than using Medicare claims alone.



Researchers examined four different periods of hospice enrollment: the three most common enrollment periods, 1-7, 8-14, and 15-30 days before death, as well as 53-105 days prior to death. They also investigated both the source of hospice-related savings such as hospital admissions, hospital and intensive care unit days and hospice's impact on selected measures of quality of care at the end of life such as 30-day readmission rate and in-hospital death.

Based on the study data, if 1,000 additional beneficiaries enrolled in hospice 15 to 30 days prior to death, Medicare could save more than \$6.4 million dollars annually, while those beneficiaries would be spared 4,100 hospital days. Alternatively, if 1,000 additional beneficiaries enrolled in hospice 53 to 105 days before death, the overall savings to Medicare would be over \$2.5 million dollars.

### **About The Mount Sinai Medical Center**

The Mount Sinai Medical Center encompasses both The Mount Sinai Hospital and Icahn School of Medicine at Mount Sinai. Established in 1968, the Icahn School of Medicine is one of the leading medical schools in the United States, and is noted for innovation in education, biomedical research, clinical care delivery, and local and global community service. It has more than 3,400 faculty in 32 departments and 14 research institutes, and ranks among the top 20 medical schools both in National Institutes of Health (NIH) funding and by U.S. News & World Report.

The Mount Sinai Hospital, founded in 1852, is a 1,171-bed tertiary- and quaternary-care teaching facility and one of the nation's oldest, largest and most-respected voluntary hospitals. In 2012, U.S. News & World Report ranked The Mount Sinai Hospital 14th on its elite Honor Roll of the nation's top hospitals based on reputation, safety, and other patient-care factors. Mount Sinai is one of 12 integrated academic medical centers whose medical school ranks among the top 20 in NIH funding and by U.S. News & World Report and whose hospital is on the U.S. News & World Report Honor Roll. Nearly 60,000 people were treated at Mount Sinai as inpatients last year, and approximately 560,000 outpatient visits took place.

For more information, visit <http://www.mountsinai.org/>.

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<http://www.mountsinai.org/about-us/newsroom/press-releases/medicare-patients-who-use-hospice-receive-better-care-at-a-lower-cost-to-the-government>